

EXHIBIT K

must be paid in at the time of formation, and which must be kept unimpaired.

Casualty Insurance-A classification of insurance coverages used in the monoline era consisting of workers compensation liability, crime, glass and boiler coverages, used to distinguish such coverages from "fire" or property coverages.

Cede-To buy insurance.

Claim-Notification to an insurance company that payment of an amount is due under the terms of a policy.

Coinsurance-(1) A provision in an insurance policy requiring the insured to contribute a fair and just share to the premium fund out of which losses are to be paid. The inclusion of this provision, whether mandatory or optional, usually gives the insured lower rates than would otherwise apply.

(2) A method of expense participation which requires that the insured pay a specified percentage of all the eligible medical expenses (in excess of the deductible) which he or she incurs as the result of sickness or injury. (Also referred to as percentage participation.)

Coinsurer-One who shares the loss sustained under an insurance policy or policies. Usually applied to an owner of property who fails to carry enough insurance to comply with the coinsurance provision and who therefore suffers a part of the loss himself. In bonding, one of a group of companies participating in a joint bond.

COLD (Computer Output to Laser Disk)-Used to store computer-generated text and DJDE reports. DJDE reports include such items as APL and ACL decs where data and the form are merged for viewing and printing. Once created, the electronic image cannot be altered but text searches and data extracts can be performed on reports stored in a COLD format.

Collateral Assignment-The type of assignment that transfers only some ownership rights under a contract, generally for a temporary period.

Combined Ratio-The sum of the loss ratio and the expense ratio.

Commission-A percentage of the premium paid to an agent or broker by an insurer or to a reinsured by a reinsurer for the sale of policies.

Common Disaster Clause-Insurance policy wording which states that the primary beneficiary must survive the insured by a specified period, such as 15 or 60 days, in order to receive the policy proceeds.

Comprehensive Policy-All-risk insurance with certain named exceptions. This term is used in automobile and liability insurance practice.

discrimination against an employee.

Endorsement-A written amendment affecting the declarations, insuring agreements, exclusions or conditions of an insurance policy: a rider.

Exclusions-The insuring agreement states what the insurer agrees to cover. This promise is then limited by exclusions which eliminate some of the things that would otherwise be covered by the broad insuring agreement. Exclusions are made to avoid uninsurable risks, preventable risks, duplicate coverages, unnecessary coverages requiring considerations beyond the scope of the policy. These exclusions are important in helping keep premiums reasonable.

Expense Ratio-The percentage of the premium used to pay all the costs of acquiring, writing and servicing business.

Experience-The loss record of an insured or of a class of coverage.

Expiration-The date upon which a policy will cease to cover, unless previously canceled.

Extended Term Insurance-A nonforfeiture benefit under which the net cash value of the policy is used to purchase term insurance for the amount of coverage available under the original policy.

F

Chapter 12

Revised 5-09

F

FLMI-Fellow, Life Management Institute, a professional designation awarded by the Life Office Management Association to insurance professionals who have completed a challenging educational program.

Face Amount-The amount stated in the policy as payable at the death of the insured or at the maturity of the contract. The amount generally is shown on the first (face) page of a policy. (Also referred to as face value or specified amount for Universal Life.) Face of Policy- Commonly used to mean the amount of insurance provided.

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Fidelity Bond-A bond which will reimburse an employer for loss up to the amount of the bond, sustained by an employer named in the bond (the insured) by reason of any dishonest act of an employee covered by the bond.

Financial Responsibility Law-A law requiring an operator or owner of motor vehicle to give evidence of financial ability to meet claims for damages in order to be licensed to drive a motor vehicle or to have his vehicle registered. May be compulsory on all registrants as in

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Lapse-Termination of a policy due to failure by the insured to pay the premium as required.

Liability-(1) An obligation, which may arise by a contract made or by a tort committed.
(2) A debt or responsibility.

Liability Insurance-Any form of coverage whereby the insured is protected against claims of other parties from specified causes. This is generally considered "third party insurance" because the application of coverage arises from the filing of a claim by a third party. Coverage protects the policyholder from financial loss resulting from damage or injury for which the insured is responsible. The insurance company pays the claimant on behalf of the insured if the insured is legally liable due to negligence.

Life Annuity-An annuity under which benefit payments are made by the insurer at least until the death of the annuitant.

Life Income Option-A settlement option under which the company uses the proceeds and interest to pay a series of annual or more frequent installments over the entire lifetime of the person designated to receive the policy benefit.

Life Income With Period Certain Annuity-A life annuity which both guarantees that annuity benefits will be paid until the annuitant dies and guarantees that the annuity payments will be made for at least a certain period, even if the annuitant dies before the end of that period.

Life Income With Period Certain Option-A life insurance policy settlement option which functions in the same manner as a life income with a period certain annuity.

Loss-The unintentional decline in, or disappearance of, value due to a contingency.

Loss Ratio-The proportionate relationship of incurred losses to earned premiums expressed as a percentage.

M

Chapter 12 Revised 12-10

M

Manual Rates-Premium rates given for given classifications of risk, published in a manual; often subject to modification for the individual risk.

Medical Application-An insurance application which includes a section which must be filled out by a physician following examination of the proposed insured.